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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

STEPHEN MERRITT, Individually and
on Behalf of All Others Similarly
Situating,

Plaintiff,

vs.

BARCLAYS PLC, JAMES E.
STALEY, and NIGEL HIGGINS,

Defendants.

Case No. 2:23-cv-09217-MEMF-KS

CLASS ACTION

AMENDED CLASS ACTION
COMPLAINT FOR VIOLATIONS OF
THE SECURITIES LAWS OF THE
UNITED STATES AND THE
UNITED KINGDOM

DEMAND FOR JURY TRIAL

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1 Lead Plaintiff Teamsters Local 237 Additional Security Benefit Fund and
2 Teamsters Local 237 Supplemental Fund for Housing Authority Employees (the
3 “Teamsters Funds”) and plaintiff The Firemen’s Retirement System of St. Louis (“St.
4 Louis Firemen”), individually and on behalf of all others similarly situated
5 (collectively, “Plaintiffs”), allege the following based upon personal knowledge as to
6 Plaintiffs’ own acts, and based upon the investigation of Plaintiffs’ counsel, which
7 included a review of regulatory filings and reports by Barclays PLC (“Barclays” or the
8 “Company”), securities analysts’ reports, media reports, press releases and other
9 public statements issued by Barclays, regulatory decisions by the United Kingdom’s
10 Financial Conduct Authority (“FCA”), public court dockets, and other publicly
11 available information. Plaintiffs believe that, after a reasonable opportunity for
12 discovery, substantial additional evidentiary support will exist for the allegations set
13 forth herein.

14 **I. INTRODUCTION**

15 1. This is a securities class action on behalf of all persons or entities who:
16 (i) purchased or otherwise acquired Barclays American Depositary Receipts
17 (“ADRs”) traded on the New York Stock Exchange (“NYSE”) under the ticker
18 symbol “BCS” from July 22, 2019 through October 12, 2023, inclusive (the “Class
19 Period”), seeking to pursue remedies under §§10(b) and 20(a) of the Securities
20 Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder
21 by the U.S. Securities and Exchange Commission (“SEC”) (collectively, the
22 “Exchange Act claims”) against Defendants; and (ii) purchased or otherwise acquired
23 Barclays ordinary shares traded on the London Stock Exchange (“LSE”) under the
24 ticker symbol “BARC” or continued to hold during the Class Period, seeking to
25 pursue remedies under Section 90A and Schedule 10A of the U.K. Financial Services
26
27
28

1 and Markets Act 2000 (“FSMA”) (the “FSMA claim”) against Barclays (the “Class,”
2 as defined further below).¹

3 2. This case arises from the material misrepresentations, omissions, and
4 dishonest delay perpetrated by Barclays, its former CEO James (“Jes”) E. Staley
5 (“Staley”), and the Chairman of Barclays Group (“Group”) Board of Directors
6 (“Board”) Nigel Higgins (“Higgins”) (collectively, “Defendants”), relating to Staley’s
7 close and lasting personal relationship with the convicted sex offender Jeffrey Epstein
8 (“Epstein”) and Defendants’ communications to the U.K. financial regulatory body,
9 the FCA, regarding that relationship.

10 3. During the Class Period, Defendants materially misrepresented the status
11 and nature of Staley’s relationship with Epstein, and Defendants’ knowledge thereof,
12 Staley’s purported transparency with Barclays’ Board about that relationship, and the
13 nature of the FCA’s inquiry – even though Barclays had conducted an internal review
14 of a cache of over 1,200 emails between Staley and Epstein that demonstrated that the
15 two men shared a much closer, personal relationship than Defendants acknowledged
16 to the FCA and the public. When the FCA privately informed Defendants of the
17 outcome of its preliminary investigation, Staley left Barclays. Nevertheless, Barclays
18 publicly continued to minimize the scope of the FCA’s investigation into Staley’s
19 relationship with Epstein and voiced its support for its former CEO. Then, documents
20 and pleadings filed in civil litigation in the United States brought against Staley’s
21 former employer, JPMorgan Chase & Co. (“JPMorgan”), in connection with Epstein’s
22 banking activities while he allegedly trafficked young women for sex, further exposed
23 correspondence between Staley and Epstein that publicly revealed their relationship
24 was more than merely professional – contrary to the assurances Defendants made to
25 investors in Barclays Securities.

26
27 ¹ Barclays ADRs and ordinary shares are collectively referred to as “Barclays
28 Securities.”

1 4. Then, on October 12, 2023, the FCA issued a final decision finding
2 Staley had “recklessly approved a letter sent by Barclays” to the FCA that “contained
3 two misleading statements . . . about the nature of his relationship with Jeffrey Epstein
4 and the point of their last contact.” When Defendants’ deception of the FCA and
5 investors was revealed, the price of Barclays Securities again fell, and investors were
6 further economically damaged.

7 **II. BACKGROUND**

8 5. Barclays is a universal bank that operates internationally, providing
9 financial services in retail, commercial, investment, and wholesale banking, as well as
10 wealth management. It is headquartered in London and is one of the largest banks in
11 the United Kingdom.

12 6. Throughout the Class Period, Barclays claimed that “[f]or over 325 years
13 we have funded progress,” and that while pursuing its financial goals, maintained
14 values of “Respect, Integrity, Service, Excellence and Stewardship.” As part of this
15 pledge, Barclays’ communications to investors insisted that the Company took
16 significant actions to monitor and address how its business impacts “non-financial”
17 matters, including environmental matters, data protection, diversity and equality
18 policies, human rights, and modern slavery.

19 7. Barclays’ governance is headed by its Board, which is responsible for
20 “setting the strategic direction and risk appetite of the Group and is the ultimate
21 decision-making body for matters of Group-wide strategic, financial, regulatory or
22 reputational significance.” It manages its oversight functions through several
23 committees – namely, the Executive Committee, which includes the CEO, the Audit
24 Committee, the Nominations Committee, the Risk Committee, and the Remuneration
25 Committee. In 2019, Barclays dissolved its Reputation Committee, explaining that it
26 “[r]ecognis[ed] the importance of our culture, reputation and the environment to the
27 Board and to all our stakeholders,” and therefore transferred “primary oversight for
28 these key matters . . . to the Board.”

1 8. While the Board provides oversight to Barclays' strategies, the execution
2 of those strategies and day-to-day management of the Company is headed by the
3 CEO, who is supported in that role by the Executive Committee, known within
4 Barclays as "ExCo." In addition to the CEO, the ExCo includes the Chief Financial
5 Officer, other executive officers, and various heads of divisions and departments
6 within the Company.

7 9. Barclays describes the division of responsibilities within the Company as
8 the Non-Executive Directors being charged with "provid[ing] effective oversight and
9 scrutiny, strategic guidance and constructive challenge, while holding the Executive
10 Directors to account against their agreed performance objectives. The Non-Executive
11 Directors, led by the Nominations Committee, have primary responsibility for
12 appointment and removal of the Executive Directors."

13 10. Higgins became the Board's Chairman effective May 2, 2019. As Group
14 Chairman, Higgins was, among other duties, "responsible for": "leading the Board and
15 its overall effectiveness"; "demonstrating objective judgement"; "promoting a culture
16 of openness and constructive challenge and debate between all Directors"; and
17 "ensuring Directors receive accurate, clear and timely information." He also served
18 on the Board Nominations Committee throughout the Class Period.

19 **III. OVERVIEW**

20 11. Staley began his role as Barclays' CEO and an Executive Director on its
21 Board on December 1, 2015. His tenure came as Barclays sought to revive its
22 reputation in the wake of a string of scandals in which Barclays was accused of money
23 laundering, tax avoidance, rate-fixing Libor, and engaging in manipulative trading in
24 its unregulated "dark pool" trading system. To draw investors back to the bank,
25 Staley's mandate was to grow shareholder value and strengthen Barclays' investment
26 banking activities.

27 12. Staley was largely successful in shoring up Barclays' investment bank.
28 By May 2019, Staley had beat back an activist investor who had sought to shrink the

1 investment banking business at Barclays. By year-end 2019, Staley's investment
2 banking strategy was paying off with a stronger investment bank returning higher
3 profits for Barclays.

4 13. But in July 2019, Epstein, a long-time friend and former client of
5 Staley's, was arrested on federal charges for the sex trafficking of teenage girls in
6 Florida and New York.

7 14. In the wake of Epstein's arrest, media attention turned to the business
8 associates and friends of Epstein, who was a well-connected financier, in addition to
9 being a convicted sex offender and an accused sex trafficker. On July 22, 2019, *The*
10 *New York Times* published an article titled "Jeffrey Epstein's Deep Ties to Top Wall
11 Street Figures" that described how Epstein and Staley first met 20 years before when
12 Staley was running JPMorgan's private bank where Epstein was a client.

13 15. According to the article, Staley sought "to maintain his relationship with
14 Mr. Epstein" because Epstein referred rich individuals to Staley, who "over the next
15 decade converted dozens of those referrals into clients of JPMorgan's private bank."
16 However, the relationship did not remain purely professional for long as the two "soon
17 became friends." Staley even visited Epstein "at his Palm Beach office, where
18 [Epstein] had been permitted to serve some of his 13-month sentence in 2008 and
19 2009" after being convicted for soliciting prostitution of a minor.

20 16. In response to the facts reported in *The New York Times*, Defendants
21 sought to appease nervous investors by weakening any connection between its CEO
22 and Epstein. A Barclays spokesperson was quoted in *The New York Times* article
23 stating: "Mr. Staley has never engaged or paid fees to Mr. Epstein to advise him, or
24 to provide professional services, either in his various roles at JPMorgan, or personally
25"

26 17. By August 2019, further press reports had noted the past connections
27 between Staley and Epstein. For example, a *Bloomberg* article reported that when
28 Staley was under consideration to be Barclays' next CEO, he had "*cut ties to Epstein,*

1 according to a person with knowledge of the situation,” within months of Staley
2 sailing to Epstein’s island in the U.S. Virgin Islands. A *Wall Street Journal* piece
3 cited someone close to Staley in reporting he had not had contact with Epstein in
4 years.

5 18. On August 10, 2019, Epstein committed suicide.

6 19. On August 15, 2019, the U.K.’s FCA, a regulatory body charged with
7 regulating financial services firms and financial markets, contacted Higgins by phone
8 to request in writing how the Board ““had satisfied themselves there was no
9 impropriety to the relationship”” between Staley and Epstein. Higgins told Staley
10 about the FCA’s request and suggested that Bob Hoyt, Barclays’ General Counsel
11 from 2013 to 2020, draft the response. Staley provided information to be included in
12 the written response and provided revisions to the letter itself. Higgins also made
13 revisions to the letter and approved its language.

14 20. On October 8, 2019, Barclays sent to the FCA the requested letter in
15 which Barclays affirmed to the FCA that Staley had told them he did not have a close
16 relationship with Epstein, that Staley had not seen anything that would have suggested
17 the alleged misconduct by Epstein, and that Staley’s last contact with Epstein was
18 ““well before he joined Barclays in 2015.””

19 21. Meanwhile, U.S. investigators, who had obtained a cache of emails
20 between Epstein and Staley while investigating Epstein’s activities, sent the cache to
21 the FCA a few weeks after the FCA received Barclays’ letter. In early December
22 2019, U.K. regulators summoned Higgins to explain why the emails appeared to
23 contradict Barclays’ October 8, 2019 letter to the FCA. Barclays engaged a law firm
24 to assist in the review of the 1,200 email cache and conduct interviews, after which
25 the law firm provided the Board a report on its findings. Higgins later privately
26 admitted that the emails “ma[de] for uncomfortable reading.”

27 22. On February 13, 2020, Barclays disclosed that the FCA was conducting a
28 regulatory investigation into Staley’s relationship with Epstein. Despite having

1 reviewed the report and appended emails, as well as having access to the full cache of
2 emails, the Board resolved to stand by Staley, stating in Barclays' 2019 Annual
3 Report and a press release issued the same day that:

4 *Mr. Staley has been sufficiently transparent with the Company as*
5 *regards the nature and extent of his relationship with Mr. Epstein.*
6 *Accordingly, Mr. Staley retains the full confidence of the Board,* and is
7 being unanimously recommended for re-election at the 2020 AGM
8 [Annual General Meeting].

9 23. The same day, during Barclays' earnings call with analysts and
10 interviews with the press, Staley likewise affirmed that he had had "a long-standing
11 *professional* relationship with Jeffrey Epstein," that the Board had conducted its own
12 review of what he had told Barclays about that relationship, and that the Board
13 "concluded indeed that I have been *transparent and open* with the bank."

14 24. As a result of these statements, investors remained unaware that Barclays
15 had already conducted an internal review of the more than 1,200 emails and those
16 communications had provided persuasive evidence that Staley's relationship with
17 Epstein was far more than professional but instead, a close, personal one in which
18 Staley considered Epstein "family."

19 25. As the FCA's investigation continued, Defendants publicly maintained
20 that Staley only had a professional relationship with Epstein, that Staley was unaware
21 of Epstein's alleged crimes, and that Defendants had been forthright with the FCA in
22 describing Staley's relationship with the FCA.

23 26. On October 29, 2021, the FCA privately informed Staley and Barclays'
24 Board of its preliminary findings regarding Staley's characterization of his
25 relationship with Epstein.

26 27. On November 1, 2021, Barclays announced that in light of the
27 preliminary findings, Staley was stepping down immediately as CEO of Barclays.
28 Though announcing the preliminary findings and Staley's departure, Defendants

1 continued to minimize the intimacy of Staley’s relationship with Epstein and publicly
2 supported Staley, despite knowledge of the men’s communications. Thus, Barclays
3 stated in its November 1, 2021 announcement: “It should be noted that the
4 investigation makes no findings that Mr Staley saw, or was aware of, any of Mr
5 Epstein’s alleged crimes, which was the central question underpinning Barclays’
6 support for Mr Staley following the arrest of Mr Epstein in the summer of 2019.” It
7 further emphasized that Staley had run Barclays “successfully.”

8 28. On February 15, 2023, portions of a complaint filed in *Government of the*
9 *United States Virgin Islands v. JPMorgan Chase Bank, N.A.*, No. 1:22-cv-10904
10 (S.D.N.Y.) (“USVI Litigation”), were unredacted, revealing for the first time more
11 complete excerpts of the emails between Staley and Epstein, including the exchange
12 invoking references to Snow White and Beauty and the Beast, and emails expressing
13 pronouncements of “profound” friendship. These were the same communications that
14 Barclays reviewed before the Board issued the February 13, 2020 press release
15 announcing Staley’s transparency and the Board’s unanimous support of Staley’s
16 reappointment as CEO.

17 29. Then, on October 12, 2023, the FCA announced in a Decision Notice
18 (“FCA Decision”) the final conclusions of its investigation.² The FCA found that
19 Staley had acted “*recklessly*” when approving the October 8, 2019 letter sent by
20 Barclays to the FCA, “which contained *two misleading statements*, about the nature
21 of his relationship Jeffrey Epstein and the point of their last contact.” As a result of
22 misleading the FCA and failing to act with integrity while CEO of Barclays, the FCA
23 fined Staley £1.8 million and banned him from holding a senior management position
24 in the financial services industry.

25
26
27 ² While the FCA Decision is dated May 30, 2023, it was first published on October
28 12, 2023.

1 30. Upon the market learning this news, the price of Barclays ADRs and
2 ordinary shares declined on heavy volume, dropping 4.99% and 3.12%, respectively,
3 and caused investors to suffer significant economic losses.

4 **IV. JURISDICTION AND VENUE**

5 31. This Court has jurisdiction over the subject matter of this action pursuant
6 to 28 U.S.C. §§1331, 1332 and 1367, and §27 of the Exchange Act (15 U.S.C. §78aa).

7 32. Certain of the claims asserted herein arise under and pursuant to §§10(b)
8 and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5
9 promulgated thereunder by the SEC (17 C.F.R. §240.10b-5). Jurisdiction over the
10 Exchange Act claims is conferred by §27 of the Exchange Act, 15 U.S.C. §78aa.

11 33. With respect to the FSMA claim, this Court has diversity jurisdiction
12 pursuant to 28 U.S.C. §1332(d)(2). This is a class action filed under Rule 23 of the
13 Federal Rules of Civil Procedure. There are more than 100 members of the putative
14 class. Plaintiffs are members of the putative class and citizens of the United States.
15 Defendants Barclays and Higgins are citizens of the United Kingdom. At least one
16 class member is a citizen of a different state than defendant Staley. The amount in
17 controversy under the FSMA exceeds \$5 million, exclusive of interest and costs.

18 34. The FSMA claim is also related to the Exchange Act claims in as much
19 as it forms part of the same case or controversy. Subject matter jurisdiction over the
20 FSMA claim is therefore also conferred by 28 U.S.C. §1367.

21 35. Barclays is subject to personal jurisdiction in this case. Barclays
22 maintains investment banking offices in three California locations, including in this
23 District at 10250 Constellation Boulevard, 7th Floor, Suite 750, Los Angeles,
24 California 90067. As alleged in further detail below, Barclays made materially false
25 and misleading statements and omissions, and failed to disclose information, which
26 concealed the true nature of Staley's relationship with Epstein, and Barclays'
27 knowledge thereof, resulting in a fraud on investors in the United States and
28 California.

1 36. In committing the fraudulent acts complained of herein, Barclays
2 operated an integrated enterprise with its wholly owned subsidiaries, including those
3 with operations in California, and controlled the internal affairs and operations of
4 those subsidiaries such that they functioned as instrumentalities of their parent.
5 Barclays files annual reports and other documents with the SEC. Moreover, Barclays
6 trades in the U.S. securities markets, purposefully availing itself of the protections and
7 privileges of the United States in its transactions of Barclays ADRs. Additionally,
8 approximately 20% of Barclays ordinary shares are owned by individuals and
9 institutions within the United States.

10 37. Barclays likewise avails itself of U.S. protections and privileges in the
11 transactions undertaken by its investment banking and individual credit card and
12 consumer banking activities based in the United States. As Staley stated in an
13 interview in 2019, Barclays “set up a whole new legal structure to operate in the
14 United States a couple of years ago.” As a result, Barclays, when reporting its year-
15 end financials for 2023, stated: “The US is our main market outside the UK.” For
16 example, 31% of its total income in 2023, nearly 25% of its total income in 2022, and
17 32% of its total income in 2021 came from the United States, based on the location of
18 the office where the transactions were recorded.

19 38. Individual Defendants Staley and Higgins are subject to personal
20 jurisdiction in this District because they: (i) are or were control persons of Barclays;
21 and (ii) each purposefully directed their activities as alleged herein toward the United
22 States and this judicial district.

23 39. The FSMA claim arises out of a common nucleus of operative facts as
24 the Exchange Act claims. Personal jurisdiction is therefore also conferred over the
25 FSMA claims by the doctrine of pendent personal jurisdiction. *Action Embroidery*
26 *Corp. v. Atl. Embroidery Corp.*, 368 F.3d 1174, 1180-81 (9th Cir. 2004).

27 40. Venue is proper in this judicial district pursuant to 28 U.S.C. §1391(b)
28 and (c)(3), and §27 of the Exchange Act (15 U.S.C. §78aa), because Barclays

1 maintains an office for its investment banking operations in this District and because
2 the alleged misstatements entered and the subsequent damages took place in this
3 judicial district.

4 41. The FSMA claim is closely related to the Exchange Act claims. Venue is
5 therefore also proper in this District under the doctrine of pendent venue.

6 42. In connection with the acts, conduct, and other wrongs alleged herein.
7 Defendants, directly or indirectly, used the means and instrumentalities of interstate
8 commerce, including, but not limited to, the mails, the Internet, interstate telephone
9 communications, and the facilities of the national securities exchange.

10 **V. PARTIES**

11 43. On January 2, 2024, the Teamsters Local 237 Additional Security Benefit
12 Fund and Teamsters Local 237 Supplemental Fund for Housing Authority Employees
13 was appointed Lead Plaintiff. ECF 31. The Teamster Funds purchased Barclays
14 ADRs at artificially inflated prices during the Class Period, as set forth in the
15 previously filed Certifications (ECF 19-2) and incorporated herein, and was damaged
16 thereby.

17 44. Plaintiff The Firemen's Retirement System of St. Louis purchased
18 Barclays ordinary shares at artificially inflated prices during the Class Period, as set
19 forth in the attached certification, and was damaged thereby.

20 45. Defendant Barclays PLC is a British universal bank that provides
21 consumer banking and credit card services, wealth management, and corporate and
22 investment banking services. Barclays is incorporated in England and its head office
23 is located at 1 Churchill Place, London, E14 5 HP, England. Barclays ADRs trade on
24 the NYSE under the ticker symbol "BCS." Barclays ordinary shares trade on the LSE
25 under the ticker symbol "BARC."

26 46. Defendant James ("Jes") E. Staley served as the Company's Group CEO
27 and a director on Barclays' Board from December 1, 2015 to October 31, 2021. Prior
28 to joining Barclays, Staley was a JPMorgan employee. In 1999, he became head of

1 JPMorgan's Private Banking division, during which time he met Jeffrey Epstein. In
2 2001, he was promoted to CEO of JPMorgan Asset Management and ran that division
3 until 2009. In 2013, he left JPMorgan, and, on October 28, 2015, Barclays announced
4 that he would become its CEO effective December 1, 2015. On November 1, 2021,
5 Barclays announced that Staley would step down from his roles as CEO and Director
6 of the Company. During the Class Period, as alleged herein, Staley made false and
7 misleading statements in public filings, interviews with the press, and during an
8 earnings call on February 13, 2020.

9 47. Defendant Nigel Higgins has served as the Company's Group Chairman
10 of the Board since May 2019. He also served on the Board Nominations Committee
11 throughout the Class Period. According to Barclays, "[i]t is the responsibility of the
12 Group Chairman to ensure that Board agendas are focused on key strategy, risk,
13 performance and other value creation issues, and that members of the Board receive
14 timely and high-quality information to enable them to make sound decisions and
15 promote the success of Barclays PLC." During the Class Period, as alleged herein,
16 Higgins signed letters to shareholders incorporated in the Notices of Annual General
17 Meeting for 2020 and 2023 that contained false and misleading statements.

18 48. Defendants Staley and Higgins are collectively referred to herein as the
19 "Individual Defendants."

20 **VI. CONTROL PERSONS**

21 49. Staley was an officer and director while Higgins was a director of
22 Barclays, a publicly held company whose ordinary shares traded on the LSE and
23 whose ADRs traded on the NYSE. As officers and/or directors and controlling
24 persons of a publicly held company whose securities are publicly traded and are
25 governed by the provisions of the federal securities laws and the securities laws of the
26 United Kingdom, Staley and Higgins had a duty to promptly disseminate accurate and
27 truthful information with respect to the Company's performance, operations, financial
28 statements, business, management, and present and future business prospects; not to

1 make material misrepresentations with respect thereto or to omit material facts
2 necessary to make the statements contained therein not misleading; and to correct any
3 previously issued statements that had become materially misleading or untrue, so that
4 the market price of Barclays Securities would be based upon truthful and accurate
5 information. The Individual Defendants' misrepresentations and omissions during the
6 Class Period violated these specific requirements and obligations.

7 50. The Individual Defendants, because of their positions of control and
8 authority as officers and/or directors of the Company, were able to, and did, control
9 the content of the various Annual Reports, SEC filings, press releases, and other
10 public statements pertaining to the Company during the Class Period. Both Individual
11 Defendants were provided with copies of the documents alleged herein to be
12 misleading before or shortly after their issuance. Staley participated in interviews and
13 a conference call with investors during which he made false and misleading
14 statements, and/or had the ability and/or opportunity to prevent their issuance or cause
15 them to be corrected. Accordingly, each Individual Defendant is responsible for the
16 accuracy of the public statements detailed herein and is, therefore, primarily liable for
17 the representations contained therein.

18 51. Both Individual Defendants acted and/or made the statements detailed
19 herein in his capacity as an officer and/or director of Barclays. Both Individual
20 Defendants were directly involved in the management and day-to-day operations of
21 the Company at the highest levels and were privy to confidential proprietary
22 information concerning the Company and its strategy, business, and operations. In
23 addition, the Individual Defendants were involved in drafting, producing, reviewing,
24 and/or disseminating the false and misleading statements and information alleged
25 herein, were aware of, or recklessly disregarded, the false and misleading statements
26 being issued regarding the Company, and approved or ratified these statements, in
27 violation of the federal securities laws and the securities laws of the United Kingdom.

28

**VII. MATERIALLY FALSE AND MISLEADING STATEMENTS
ISSUED DURING THE CLASS PERIOD**

**A. Epstein's Arrest Provokes Media Reports About Epstein's
Wall Street Connections, Including with Staley**

52. The Class Period begins on July 22, 2019, when, in response to Epstein's arrest on July 6, 2019, and indictment two days later, *The New York Times* ran an article titled "Jeffrey Epstein's Deep Ties to Wall Street Figures." The article highlighted Epstein's ties to various Wall Street figures, including Staley. Specifically, it discussed how Staley had visited Epstein at his Palm Beach office where Epstein was on a work release while serving his prison sentence for soliciting prostitution of a minor. The article reported that Staley "had good reason to maintain his relationship with Mr. Epstein," because in the "clubby world of Wall Street," Epstein's referrals of his rich contacts to Staley converted into clients for JPMorgan.

53. In response, a Barclays spokesperson, Stephen Doherty, was quoted in the July 22, 2019 *The New York Times* article stating:

"Mr. Staley has never engaged or paid fees to Mr. Epstein to advise him, or to provide professional services, either in his various roles at JPMorgan, or personally[.]"

54. Other news outlets similarly reported that Staley and Epstein's relationship had petered out. On July 25, 2019, *The Wall Street Journal* published an article titled "Jeffrey Epstein Burrowed Into the Lives of the Rich and Made a Fortune." The article reported that "[a]ccording to a person close to Mr. Staley, now CEO of Barclays PLC, he hasn't had contact with Mr. Epstein in several years."

55. On August 6, 2019, *Bloomberg* published an article titled "Epstein's Endgame: One Last Shot to Stay in Wall Street's Favor," reporting that within months of Staley sailing his sailboat to Epstein's island, Little St. James, "Staley cut ties to Epstein, according to a person with knowledge of the situation." *Bloomberg* explained that once Staley "was in the running for the top job at Barclays, a position that required interviews and approvals by U.K. regulators," "[t]he wisdom of breaking

1 from Epstein became apparent” since “the British press reported on their relationship.”
2 Per *Bloomberg*, “[w]hile there’s no suggestion of any wrongdoing on the part of
3 [Epstein’s] Wall Street connections,” which included Staley, “it all no doubt makes
4 uncomfortable reading for them.”

5 56. The statement in ¶53 concerning Staley’s payment of fees for
6 “professional services . . . or personally” was materially false and misleading when
7 made because Defendants knew or deliberately disregarded and failed to disclose the
8 following facts:

9 (a) The relationship between Staley and Epstein was close and
10 personal enough that the offer or solicitation of business advice did not require the
11 payment of fees or a formal engagement. Moreover, although Staley may not have
12 formally engaged Epstein to provide advice or professional services, Staley had,
13 within the scope of his business relations and friendship with Epstein, sought
14 Epstein’s personal and professional guidance and assistance. Not only did Epstein
15 provide referrals of wealthy and powerful individuals to Staley as potential clients for
16 JPMorgan’s private bank, but Staley sought Epstein’s advice on a variety of aspects
17 relating to Staley’s work, including Staley’s pay, his speeches, internal JPMorgan
18 business strategy, and his approach toward pursuing the CEO position at Barclays.

19 (b) In exchange for Epstein’s business counsel and contacts, Staley
20 provided Epstein financial and professional protection allowing for Epstein to
21 continue his bank dealings with JPMorgan, even though JPMorgan executives had
22 identified Epstein as “a known child sleaze” and protested that “[h]e should not be a
23 client.” Epstein remained a JPMorgan client “due to Jes’s personal relationship” and
24 that banking relationship ended shortly after Staley left JPMorgan.

25 (c) As detailed in the FCA Decision, between January 2013 and July
26 2015, Staley and Epstein “exchang[ed] almost 600 emails during that period,
27 including . . . emails from Mr Staley referring to the strength of their friendship.” In
28 2015, the same year that Staley was appointed Barclays’ CEO, Staley twice visited

1 Epstein's properties in the U.S. Virgin Islands – once in January 2015 when Staley
 2 asked Epstein for “dock space” and moored his boat in Epstein's marina, and once in
 3 April 2015 while on vacation and Staley anchored his boat in front of Epstein's island.
 4 Following his visit, Staley wrote Epstein: “Your place is crazy, and special. It has a
 5 warmth and silliness that makes it yours. I count u as a deep friend.”

6 (d) The Company's false assurance in ¶53 and its focus on a formal
 7 engagement or payment between Staley and Epstein omits an accurate description of
 8 their continued close business dealings even after Staley left JPMorgan and Epstein
 9 was no longer Staley's client. In fact, Staley and Epstein “continued to network and
 10 discuss potential business opportunities” after Staley's 2013 departure from JPMorgan
 11 until at least July 2015. For example, as the FCA Decision later found, Staley and
 12 Epstein “discussed arrangements for meetings between Mr Staley and certain
 13 prominent public figures and business figures in March 2013, April 2013, September
 14 2013 and May 2014.” The two men also discussed starting up a financial services
 15 firm together in New York in December 2013.

16 (e) Epstein assisted and provided personal and strategic advice to
 17 Staley to help him secure his appointment as Barclays' CEO. Staley later informed
 18 the FCA that while Epstein did not have a “formal or informal advisory role”
 19 relating to the CEO appointment, he discussed the matter with Epstein because he
 20 “had previously discussed with Mr Epstein matters relating to his career and wanted to
 21 hear Mr Epstein's ‘thoughts’ on the matter and because he ‘trusted him to be
 22 discreet.’” According to the FCA Decision, between July 2015 and October 2015,
 23 Staley and Epstein emailed and discussed on the phone the approach Barclays made to
 24 recruit Staley as CEO. For example:

25 (i) On July 11, 2015, Staley emailed Epstein in an email titled
 26 “B” stating: “A member of the board just reached out.”

27 (ii) On July 24, 2015, Epstein emailed Staley: “[B]etter if you
 28 not email me. phone only.”

1 (iii) On October 4, 2015, Staley wrote Epstein in an email titled
 2 “Friendship,” stating: “You never wavered in our friendship these last three years.
 3 That means a lot too [sic] me. . . . Cross your toes!!!” Epstein responded: “[M]ore
 4 than 10 years.”

5 (iv) On October 8, 2015, Staley wrote Epstein: ““Nominating
 6 com[mittee] approved. Friday, full board votes. I should have the contract by the
 7 weekend. We’re very close.”” The FCA determined that Staley understood this
 8 information was not in the public domain and was ““very confidential.””

9 (f) The statement in ¶53, which bolstered other media outlets’
 10 reporting that Staley and Epstein had cut ties, is consistent with a strategy Defendants
 11 previously employed. As early as 2015, the Company knew it faced a public relations
 12 and reputational problem with Staley’s appointment as CEO because of his
 13 relationship with Epstein. Rather than address the problem directly and acknowledge
 14 the depth and closeness of Staley and Epstein’s relationship, the Company chose to
 15 affirmatively downplay the relationship, including by shifting the quality of the
 16 relationship to one that was purely professional. The FCA Decision later noted
 17 Defendants’ tactics to downplay the relationship between Staley and Epstein upon
 18 Staley’s appointment and create a misleading perception of distance between the men
 19 in the press. For example:

20 (i) Staley wrote Epstein on October 17, 2015: ““Ok. I’m going
 21 to play is [sic] simple. I’ve known you as a client.””

22 (ii) After one newspaper contacted Barclays to explain that it
 23 planned to print an article stating that Epstein had sought to influence the selection of
 24 Staley as CEO in both 2012 and 2015, a Barclays senior executive wrote Staley on
 25 October 24, 2015 that ““they needed to keep the article ‘historical and flimsy.’”

26 (iii) As subsequent articles were published, Barclays hired a law
 27 firm to assist in its media response. The FCA found that the firm advised that
 28 Barclays “ought to ‘. . . be as strong as we possibly *can be in dispelling the friendship*

1 *myth*. If there is any more information that we can deploy to demonstrate distance
2 between them it would be helpful”

3 (iv) Prior to another article’s publication on November 1, 2015,
4 the Barclays’ Corporate Communications team responded to a journalist’s inquiry,
5 stating that “neither Barclays nor Mr Staley feel the need to respond to your two
6 questions given that *there is no obligation to distance ourselves from someone with*
7 *whom neither party has anything resembling a close personal association.*” The
8 FCA later concluded that this statement was “based on what Mr Staley had previously
9 told a Barclays senior executive.”

10 57. Following the July 22, 2019 misrepresentations and omissions alleged in
11 ¶53, Barclays Securities traded at artificially inflated prices.

12 **B. Bank Regulators Launch Investigation into Staley’s**
13 **Relationship with Epstein and the Suitability of His**
Leadership

14 58. On August 10, 2019, Epstein committed suicide in his jail cell. With
15 media attention on Staley and Epstein reigniting, the FCA, as the regulator charged
16 with protecting the U.K. financial markets’ integrity, took note.

17 59. The FCA is an independent non-governmental body, given regulatory
18 powers under FSMA. The FCA is responsible for the regulation of organized
19 financial markets, including “recognised investment exchanges,” which, in turn,
20 includes the LSE. The FCA’s “single strategic objective” is to ensure that the markets
21 for financial services function well. It seeks to achieve this goal, in part, by
22 supervising trading platforms, as well as “protecting and enhancing the integrity of the
23 UK financial system.” Functionally, the FCA regulates through rulemaking and more
24 targeted supervision responsibilities. Among the rules administered by the FCA are
25 individual conduct rules and senior manager conduct rules.

26 60. On August 15, 2019, an executive from the FCA called Higgins asking
27 that Barclays “explain in writing what it had done to satisfy itself that there was no
28 impropriety with respect to the relationship between Mr Staley and Mr Epstein.” The

1 FCA made the request for a written explanation “in the light of recent press reports
2 regarding [Staley and Epstein’s] relationship, which called into question Barclays’
3 CEO’s judgement [sic] and potentially his fitness and propriety.” As the FCA would
4 later explain in the FCA Decision published in October 2023, the FCA’s August 2019
5 inquiry was to seek “assurance that Barclays had discharged its regulatory obligations
6 to ensure it understood and had properly managed the risks to which it was exposed.”

7 61. Higgins informed Staley of the FCA’s request during a meeting on or
8 around August 23, 2019. Higgins told Staley that he should work with Barclays
9 General Counsel Bob Hoyt to formulate a response. To draft the response, Staley
10 provided information in discussions with Higgins, Hoyt, a second Board member, and
11 two other senior executives from Barclays. Staley reviewed and made revisions to the
12 letter response. Higgins also reviewed and approved the letter. Barclays and Staley
13 agreed that the response to the FCA should be from Barclays rather than from Staley.

14 62. On October 8, 2019, Barclays sent the requested letter to the FCA, in
15 which Barclays stated:

16 “I am writing to close the loop on your request for assurance that
17 we have informed ourselves and are comfortable in regard to any
18 association of [Mr Staley] or Barclays with [Mr Epstein]. I can now
19 report that [Board Member B], [Hoyt] and [Higgins] have had separate
20 conversations with [Mr Staley] where he has described his interactions
21 with Mr Epstein. *[Mr Staley] has confirmed to us that he did not have*
22 *a close relationship with Mr Epstein*, and he is resolute that at no time
23 did he see anything that would have suggested or revealed any aspect of
24 the conduct that has been the subject of recent allegations. *[Mr Staley’s]*
25 *last contact with Mr Epstein was well before he joined Barclays in*
26 *2015.*

1 Separately, Barclays' financial Crime team has conducted a
 2 thorough review of our records, which did not reveal any client or
 3 customer relationship with Mr Epstein.

4 In sum, neither our discussions with [Mr Staley] nor our review of
 5 the bank's records have revealed any cause to suspect that Barclays or
 6 [Mr Staley] have played any role in the activities of Mr Epstein that have
 7 been under investigation.

8 I trust this addresses your questions.”³

9 63. The FCA later confirmed that the wording of the letter ultimately sent
 10 was identical to a draft version reviewed by Staley two days earlier, except for a minor
 11 change.⁴

12 64. A few weeks later, U.S. investigators of Epstein's activities turned over
 13 to the FCA a cache of documents containing around 1,200 emails between Staley and
 14 Epstein. After reviewing these emails, the FCA began an inquiry into whether
 15 Defendants had properly characterized Staley and Epstein's relationship in the
 16 October 8, 2019 letter to the FCA.

17 65. Barclays first learned of the cache in December 2019, when the Governor
 18 of the Bank of England at the time, Mark Carney, summoned Higgins, at 24 hours-
 19 notice, to see Carney, Andrew Bailey of the FCA, and Sam Woods of the Prudential
 20 Regulation Authority (“PRA”), another regulatory body that is part of the Bank of
 21 England and supervises financial institutions including banks and insurance
 22 companies. The U.K. regulators called the meeting to ask Higgins to account for why
 23 the emails contradicted the October 8, 2019 letter that Barclays had sent to the FCA.

24 _____
 25 ³ The FCA's subsequent reproduction of the letter uses pseudonyms – *e.g.*, Board
 26 Member B. However, in an article dated March 4, 2023, the *Financial Times*
 identified Higgins and Hoyt as the individuals who spoke with the FCA executives
 and drafted Barclays' letter.

27 ⁴ The change in wording was from ““are under investigation”” to ““have been under
 28 investigation”” in the penultimate sentence.

1 The U.K. regulators urged the Barclays Board to review the email cache and confirm
2 whether Staley had played down his ties to Epstein.

3 66. With U.K. regulators questioning whether Staley should continue to head
4 Barclays, the Board focused its internal inquiry on: (i) whether there was evidence of
5 impropriety; and (ii) whether Staley had been “sufficiently” transparent about the
6 scope of the relationship when he joined the bank in 2015 and again in 2019 following
7 the FCA’s initial inquiry in August 2019. Barclays hired the law firm Clifford Chance
8 to assist in reviewing the documents between January and February 2020. The law
9 firm conducted interviews and provided a confidential report on their findings for the
10 Board’s review. The report appended the most controversial emails between Staley
11 and Epstein.

12 67. The email cache contained 1,200 emails exchanged between Staley and
13 Epstein from Staley’s tenure at JPMorgan. The emails suggested that they also spoke
14 regularly on the phone and met in person. From January 2013 to October 2015, after
15 Staley had left JPMorgan until his appointment as Barclays’ CEO, Staley and Epstein
16 continued to exchange another nearly 600 emails. Their communications thus
17 continued well after Epstein was Staley’s client at JPMorgan. The cache included
18 emails in which Staley told Epstein that he was ““my most cherished friend,”” that ““I
19 owe you much. And I deeply appreciate our friendship. I have few so profound,””
20 and that ““I count u as a deep friend.”” The emails also made clear that Staley had
21 visited Epstein’s island in the U.S. Virgin Islands that was a primary location for
22 Epstein’s alleged sex trafficking. And the cache included suggestive emails, such as
23 one exchange in July 2010 in which Staley wrote Epstein: “That was fun. Say hi to
24 Snow White.” Epstein responded: “[W]hat character would you like next?” to which
25 Staley replied: “Beauty and the Beast.” Epstein responded: “[W]ell one side is
26 available.”

C. Defendants Falsely Assured Investors of Staley's Transparency and Their Full Confidence in His Leadership

68. On February 13, 2020, the Company issued a press release titled “Director effectiveness assessment: disclosure of regulatory investigation,” which was furnished to the SEC on a Form 6-K. Barclays’ statement in the press release was also incorporated into Barclays’ 2019 Annual Report, issued the same day, announcing its results for the year ended December 31, 2019, and filed with the SEC on a Form 20-F. Attached to the 2019 Annual Report were certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”) signed by Staley attesting to the accuracy of financial reporting, his evaluation of the effectiveness of the Company’s disclosure control, the disclosure of any material changes to the Company’s internal control over financial reporting, and the disclosure of all fraud.

69. In both the February 13, 2020 press release and the 2019 Annual Report filed the same day, Defendants disclosed that the FCA was conducting a regulatory investigation into Staley's relationship with Epstein in light of the media reports published in the prior six months linking the two men. Both the director effectiveness assessment and the 2019 Annual Report were published by means of the LSE's Regulatory News Service ("RNS") or their availability was announced by means of the RNS. Defendants stated:

As has been widely reported, earlier in his career Mr. Staley developed *a professional relationship with Mr. Epstein*. In the summer of 2019, in light of the renewed media interest in the relationship, *Mr. Staley volunteered and gave to certain executives, and the Chairman, an explanation of his relationship with Mr. Epstein. Mr. Staley also confirmed to the Board that he has had no contact whatsoever with Mr. Epstein at any time since taking up his role as Barclays Group CEO in December 2015.*

* * *

1 *Based on a review, conducted with the support of external*
2 *counsel, of the information available to us and representations made*
3 *by Mr. Staley, the Board (the Executive Directors having been recused)*
4 *believes that Mr. Staley has been sufficiently transparent with the*
5 *Company as regards the nature and extent of his relationship with Mr.*
6 *Epstein.* Accordingly, Mr. Staley retains the full confidence of the
7 Board, and is being unanimously recommended for re-election at the
8 2020 AGM.

9 70. The 2019 Annual Report also affirmed to investors that Barclays
10 “cooperat[ed]” in the various investigations in which it was involved, which then
11 included the FCA’s inquiry into Staley’s relationship with Epstein:

12 The Group is also subject to enquiries and examinations, requests
13 for information, audits, investigations and legal and other proceedings by
14 regulators, governmental and other public bodies in connection with (but
15 not limited to) consumer protection measures, compliance with
16 legislation and regulation, wholesale trading activity and other areas of
17 banking and business activities in which the Group is or has been
18 engaged. *The Group is cooperating with the relevant authorities and*
19 *keeping all relevant agencies briefed as appropriate* in relation to these
20 matters and others described in this note on an ongoing basis.

21 71. Also on February 13, 2020, Staley participated on an earnings conference
22 call with analysts to discuss the year-end results for 2019. During the question-answer
23 session, Staley made the following statement regarding his relationship with Epstein
24 and the FCA’s inquiry:

25 I think it’s very well-known at my time with JP Morgan, at the beginning
26 of 2000, when I started to run the private bank, where he was an existing
27 client, *I’ve had a professional relationship with him for that period.*
28 As I left Morgan, the relationship began to *taper off quite significantly.*

1 *And that stopped before I joined Barclays. And obviously, there's been*
 2 *no contact . . . whatsoever since then.* The inquiry by the FCA is very
 3 narrowly focused on whether I've been transparent and open with the
 4 bank. And *I feel very comfortable – going back to 2015, I have been*
 5 *transparent and open with the bank.* [Per] the RNS [Regulatory News
 6 Service], *the Board has done a review of that issue. And they have*
 7 *confirmed that they're also comfortable that I was transparent and*
 8 *open with them with respect to that relationship* and now the process
 9 will just go on at the FCA. But again, . . . *I had no contact*
 10 *whatsoever . . . with Jeffrey Epstein, while I've been here with*
 11 *Barclays.*

12 72. Also on February 13, 2020, Staley appeared on Bloomberg Television to
 13 discuss the Company's annual results. This interview was posted on YouTube in a
 14 video titled "Barclays CEO Says He Was 'Very Transparent' About Jeffrey Epstein
 15 Relationship." In response to the interviewer's question about the FCA's
 16 investigation into Staley's relationship with Epstein, Staley made the following
 17 statement:

18 So first it's well-known in the press that *I have had a long-standing*
 19 *professional or had a long-standing professional relationship with*
 20 *Jeffrey Epstein.* It began in 2000 when I was asked to run JP Morgan's
 21 private bank and he was already a client of the bank at that time. The
 22 investigation is actually focused on transparency of whether I was
 23 transparent with and open with the bank and with the board with respect
 24 to my relationship with Jeffrey Epstein and *indeed it's clear in my own*
 25 *mind that going all the way back to 2015 when I joined Barclays, I*
 26 *have been very transparent with the bank* and very open and willing to
 27 discuss the relationship that I had with him. And if you look at the RNS,
 28 I think what's important to note is *the Board has done its own review*

1 *and they've looked back at my transparency and they concluded indeed*
2 *that I have been transparent and open with the bank* and with the board
3 all along this process and in fact they have unanimously voted for me to
4 be put up for reelection at the AGM meeting later this year so full
5 support from the Chairman and from the board. But there is a regulatory
6 process that is ongoing and we'll let that run its course.

7 73. Also on February 13, 2020, the *Evening Standard* published an article
8 titled "Barclays boss Jes Staley fights for job over Epstein probe; Staley quizzed by
9 City watchdog about relationship with financier." In it, the article stated that
10 "Barclays investigated and found [Staley] had been honest in his account that it was a
11 previous business relationship that ended in 2015 before he became chief executive. It
12 then passed on the results of its probe to the regulator." It reported that U.K.
13 regulators "had been unsatisfied with the response" and "launched an inquiry into
14 what Staley told the bank, and what the bank disclosed in its submission to them."
15 The article further stated that "Barclays revealed that ongoing inquiry alongside strong
16 annual results which beat City forecasts and suggested Staley's turnaround of the
17 company was bearing fruit."

18 74. The *Evening Standard* article further reported that when interviewed,
19 Staley made the following statement:

20 *"I have been fully transparent and open. I worked with the guy*
21 *professionally."*

22 75. Reporting on Defendants' announcement, *The Wall Street Journal*
23 published an article on February 13, 2020, headlined: "Barclays CEO Under
24 Investigation Over Links to Jeffrey Epstein; U.K.'s second-biggest bank says CEO Jes
25 Staley retains the confidence of its board." It reported:

26 Barclays said . . . Mr. Epstein's death renewed interest in Mr.
27 Staley's dealings with him, and that the CEO gave an explanation to
28 executives, including chairman Nigel Higgins. *Mr. Staley confirmed he*

1 *had no contact with Mr. Epstein after becoming Barclays's CEO, the*
 2 *bank said.*

3 76. Market analysts who reported on the news were comforted by
 4 Defendants' misrepresentations and voiced support for Staley in light of the solid
 5 financial performance he appeared to deliver for the Company:

- 6 • RBC, February 13, 2020: "Reasonable financials overshadowed by FCA
 7 probe. . . . A reasonable financial performance could be offset on the day
 8 by the company announcing that the CEO is being investigated by the
 9 regulator in relation to his ties to Epstein. *Based on the information*
 10 *available to it, the Board retains full confidence in Mr Staley. . . . The*
 11 *CEO has assured the Board that he had not had any contact since he*
 12 *joined BARC*. Based on the information available, the Board retains full
 13 confidence in Mr Staley."
- 14 • Investec, February 13, 2020: "*Staley delivers* . . . Disclosures concerning
 15 an (ongoing) FCA investigation in CEO Jes Staley's relationship with
 16 Jeffrey Epstein offer an *unwelcome distraction from solid numbers*."
- 17 • Shore Capital, February 13, 2020: "Barclays reported a better than
 18 expected set of full year results to 31st December 2019 which were
 19 unfortunately overshadowed by revelations that the FCA has been
 20 investigating CEO Jes Staley due to *historical links* with Jeffrey Epstein.
 21 While the Board has thrown its unanimous support behind Mr Staley,
 22 this latest revelation, on top of the previous issue around whistleblowing,
 23 could mean his days are numbered. This would be a pity, in our
 24 view"
- 25 • Berenberg, February 14, 2020: "News that UK regulators are
 26 investigating links between Barclays' CEO, Jes Staley, and a client of his
 27 former employer creates clear uncertainty. While we are mindful of
 28 risks to sentiment, *we take comfort from three considerations*. First, the

1 nature of the relationship appears consistent with Mr Staley’s past role
 2 and ceased prior to his appointment at Barclays. Second, the
 3 investigation is focused narrowly on whether the past relationship was
 4 declared. Third, *an investigation by Barclays’ board concluded that*
 5 *processes were followed.”*

- 6 • Kepler Cheuvreux, February 14, 2020: “[T]he financial Conduct
 7 Authority indicated that Barclays CEO Jes Staley was under
 8 investigation for ties with Jeffrey Epstein. *Nevertheless, the board*
 9 *added it maintained its full confidence in Staley.”*

10 77. On April 3, 2020, Barclays issued on its website its Notice of Annual
 11 General Meeting for 2020, which included a signed letter from Higgins. The
 12 availability of the Notice of Annual General Meeting for 2020 was announced by
 13 Barclays via the RNS. In his letter, Higgins made the following statement regarding
 14 Barclays’ evaluation of Staley in light of the FCA investigation:

15 As part of our Director effectiveness assessment process, we also
 16 disclosed ongoing regulatory investigations by the Prudential Regulation
 17 Authority (the “PRA”) and Financial Conduct Authority in relation to the
 18 Group Chief Executive. . . . *The Board’s governance processes were*
 19 *rigorously followed in relation to this matter*, and I will simply repeat
 20 here what we said at the time: *Jes retains the full confidence of the*
 21 *Board*, and is being unanimously recommended for re-election.

22 78. On February 18, 2021, Barclays issued its 2020 Annual Report, which
 23 was also filed with the SEC on a Form 20-F, announcing its results for the year ended
 24 December 31, 2020, and its availability was announced by Barclays via the RNS. In
 25 it, the Company included a “Directors’ report” from the Nominations Committee,
 26 which stated:

27 As part of its decision in respect of Mr Staley, *the Board has had regard*
 28 *to the conclusions it reached last year, which conclusions remain*

1 *unchanged*, in relation to the investigations by the PRA and the FCA,
2 details of which were disclosed in our 2019 Annual Report and which
3 remain ongoing.

4 79. In its 2020 Annual Report, Barclays also reiterated its false and
5 misleading statement that the Company was cooperating with relevant authorities,
6 including the FCA, in their investigations, as alleged in ¶70, above.

7 80. Following the misrepresentations and omissions made on February 13,
8 2020, April 3, 2020, and February 18, 2021, Barclays Securities traded at artificially
9 inflated prices.

10 81. Each of the above statements in ¶¶69-72, 74-75, and 77-79 concerning
11 Staley's current and historical relationship with Epstein, Barclays' decision to back
12 Staley following its own internal investigation, and Barclays' cooperation with the
13 FCA's investigation was materially false and misleading when made as Defendants
14 knew or deliberately disregarded and failed to disclose the following facts:

15 (a) In direct contradiction to Defendants' statements that maintained
16 that Staley and Epstein's relationship was only "professional," the Company and its
17 Board were in possession of unequivocal evidence that Staley, for years, had
18 maintained an intimately close relationship with Epstein, in which they shared both
19 professional and personal communications and experiences, such as exchanges
20 regarding women, visits by Staley to Epstein's various residences (including the island
21 Epstein owned in the U.S. Virgin Islands where much of Epstein's sex-trafficking
22 activities had allegedly transpired), declarations of friendship, and advice on clients
23 and confidential business dealings. This evidence included a cache of nearly 1,200
24 emails between Staley and Epstein, including:

25 (i) On November 1, 2009, Staley sent Epstein the following
26 email while visiting Epstein's "Zorro Ranch" in New Mexico: "So when all hell
27 breaks lose [sic], and the world is crumbling, I will come here, and be at peace.
28 Presently, I'm in the hot tub with a glass of white wine. This is an amazing place.

1 Truly amazing. Next time, we're here together. *I owe you much. And I deeply*
2 *appreciate our friendship. I have few so profound."*

3 (ii) On numerous occasions, Staley and Epstein referred to each
4 other as "family."

5 (iii) On April 27, 2009, Staley referred to Epstein as "uncle
6 Jeffery [sic]" in an email he forwarded to his daughter regarding Epstein's effort to
7 help Staley's daughter get into graduate school.

8 (iv) On December 5, 2009, Epstein wrote Staley: "[Y]ou were
9 with larry, and i had to put up with" The email attached a redacted photograph,
10 which the district court in the USVI Litigation described as "a picture of a young
11 woman in a sexually suggestive pose." Staley responded "Don't tell me a french
12 wine," and Epstein responded "always thoughts of alcohol," though Epstein was
13 famously a teetotaler.

14 (v) In what appears to be a confidential request by Jamie
15 Dimon, CEO of JPMorgan, for Staley's comments on a draft letter to JPMorgan
16 shareholders, Staley nevertheless forwards the email to Epstein on March 28, 2010,
17 and Epstein suggested revisions.

18 (vi) Between July 9 and 10, 2010, Staley and Epstein exchanged
19 emails in which Staley wrote: "That was fun. Say hi to Snow White." Epstein
20 responded: "[W]hat character would you like next" and Staley answered: "Beauty and
21 the Beast" Epstein answers: "[W]ell one side is available."

22 (vii) On April 12, 2015, just six months before he would be
23 announced as the CEO of Barclays, Staley and his wife visited Epstein on his island in
24 the U.S. Virgin Islands, after which Staley wrote to Epstein: "Thanks for the flight and
25 thanks for the lunch. Your place is crazy, and special. It has a warmth and silliness
26 that makes it yours. *I count u as a deep friend."*

(viii) On August 23, 2012, Staley wrote Epstein: “*I can’t tell you how much your friendship has meant to me.* Thank you deeply for the last few weeks.” He signed off his message: “*To my most cherished friend.*”

(b) The evidence in the Board’s possession seriously undermined the Board’s stated confidence in Staley’s leadership of the Company.

(c) Based upon the evidence in Barclays’ possession, certain of the allegations concerning Epstein’s criminal activities may have been credible, and Staley’s personal relationship with Epstein, including the depth and scope of that relationship if discovered, could bring reputational, legal, and financial harm to Barclays.

(d) The evidence in Barclays’ possession and Staley’s own knowledge regarding his relationship with Epstein undermined Barclays’ assertions that it was cooperating with its regulators’ investigations.

(e) As the FCA later concluded, Staley, as Barclays’ CEO, “knew all the relevant facts regarding his relationship with Mr Epstein,” but concealed them because he was aware of the risk posed to his own reputation and career.

(f) Contrary to Defendants’ press release and annual report, Staley had not “volunteered” an explanation of his relationship with Epstein, but, in fact, had responded to an inquiry from the FCA.

D. Staley Leaves Barclays upon the FCA’s Preliminary Findings that Staley Lied About His Ties to Epstein

82. As a result of Barclays and Staley’s repeated false assurances, Barclays Securities on both the NYSE and the LSE continued to trade at artificially inflated prices.

83. On November 1, 2021, Barclays issued a press release that was furnished to the SEC on a Form 6-K, as well as published via the RNS. In the press release, Barclays announced Staley’s departure from Barclays after Barclays and Staley “were made aware . . . of the preliminary conclusions from the FCA and PRA of their

1 investigation into Mr Staley’s characterization to Barclays of his relationship with the
 2 late Mr Jeffrey Epstein and the subsequent description of that relationship in Barclays’
 3 response to the FCA.” However, in continuing to voice its support for Staley,
 4 Barclays made the following statement:

5 *It should be noted that the investigation makes no findings that Mr*
 6 *Staley saw, or was aware of, any of Mr Epstein’s alleged crimes, which*
 7 *was the central question underpinning Barclays’ support for Mr Staley*
 8 following the arrest of Mr Epstein in the summer of 2019.

9 The press release further announced that “[w]ith effect from 1 November 2021, Mr
 10 C.S. Venkatakrishnan (known as Venkat) will take over as Group Chief Executive,
 11 subject to regulatory approval, and as a director of Barclays.”

12 84. Analysts reporting on Barclays’ announcement repeated the measured
 13 response to the FCA’s preliminary findings that Barclays had provided – namely, the
 14 assurance that Staley was not aware of Epstein’s alleged crimes:

- 15 • Credit Suisse, November 1, 2021: “In an announcement . . . Barclays
 16 communicated that Mr Jes Staley will step down as CEO following
 17 preliminary conclusions from the FCA and the PRA’s investigation into
 18 Mr Staley’s characterisation to Barclays of his relationship with the late
 19 Mr Jeffrey Epstein, and his intention to contest the conclusions. The
 20 announcement noted that the investigation made no findings that Mr
 21 Staley saw, or was aware of, any of Mr Epstein’s alleged crimes, which
 22 was the central question underpinning Barclays’ support for Mr Staley
 23 following the arrest of Mr Epstein in the summer of 2019. The release
 24 noted that the Board is disappointed at the outcome since Jes Staley has
 25 run the Group successfully since December 2015, built the senior team,
 26 clarified the strategy, transformed the operations and materially
 27 improved the results.”
 28

- 1 • JPMorgan, November 1, 2021: “Following preliminary conclusions from
2 the FCA/PRA of their investigation into Mr Staley’s characterisation to
3 Barclays of his relationship with the late Jeffrey Epstein and the
4 subsequent description of that relationship in Barclays’ response to the
5 FCA, the Board and Mr Staley have agreed that he will step down from
6 his role as Group Chief Executive and as a director of Barclays. Note
7 that the investigation makes no findings that Mr Staley saw, or was
8 aware of, any of Mr Epstein’s alleged crimes.”
- 9 • UBS, November 1, 2021: “Barclays this morning announced that CEO
10 Jes Staley and the Board have agreed that he will step down from his role
11 as Group Chief Executive Officer This follows preliminary
12 conclusions shared on Friday on the FCA and PRA’s investigation into
13 Mr Staley’s characterisation of his relationship with the late Mr Jeffrey
14 Epstein and Mr Staley’s intention to contest such findings. The company
15 release notes that the investigation has made no findings that Mr Staley
16 was aware of any of Mr Epstein’s alleged crimes, and highlights Mr
17 Staley’s success in running the group since December 2015, including a
18 clear strategy, transformation of operations and improvement of results.”

19 85. On November 12, 2021, the *Financial Times* published an article titled
20 “Jes Staley exchanged 1,200 emails with Epstein that included unexplained phrases.”
21 According to the article, “[c]entral to the probe” being conducted by U.K. regulators
22 “was a cache of emails first provided to US regulators by JP Morgan.” The article
23 stated that “people familiar with the correspondence” between Staley and Epstein said
24 it included unexplained terms such as “snow white.” The article reported:

25 The “snow white” reference was written in a short, two-message
26 exchange referring to a conversation the men had previously had in
27 person, one of the people familiar with the matter said. Regulators at the
28

1 Financial Conduct Authority and Prudential Regulation Authority are yet
2 to draw conclusions over the phrase, a second person said.
3 Meanwhile, the article quoted Staley’s lawyer, Kathleen Harris, stating that “[w]e
4 wish to make it ***expressly clear*** that our client had no involvement in any of the
5 alleged crimes committed by Mr Epstein, and code words were never used by Mr
6 Staley in any communications with Mr Epstein, ever.” She also claimed the emails
7 were “innocuous.” Notably, the newspaper did not quote or have access to the “snow
8 white” email or the others in the 1,200 email cache.

9 86. As Staley’s attorneys sought to detach Staley from the criminal
10 allegations against Epstein and denied the use of “code words,” Barclays likewise
11 continued to put distance between Staley and Epstein. The November 12, 2021
12 *Financial Times* article quoted a Barclays’ spokesperson reiterating Barclays’ initial
13 response to the FCA’s preliminary findings:

14 “[T]he investigation ***makes no findings that Mr Staley saw, or was***
15 ***aware of, any of Mr Epstein’s alleged crimes***”.

16 87. As reported by *The Mail on Sunday* on November 28, 2021, in the wake
17 of Staley’s departure, Higgins privately called prominent Barclays investors to warn
18 them about the “uncomfortable” tenor of the emails. According to one of the bank’s
19 top 20 largest investors to whom Higgins spoke, “[Higgins] said ***once you read the***
20 ***final report you will have questions for us because it makes for uncomfortable***
21 ***reading***.”

22 88. Nevertheless, when Barclays issued its 2021 Annual Report on February
23 23, 2022, which was also filed with the SEC on Form 20-F, it included an introductory
24 letter from Higgins in which he spoke of Staley in glowing terms, crediting the
25 Company’s 2021 performance to Staley’s efforts:

26 This performance was in no small way a credit to Jes Staley, who
27 left Barclays as Chief Executive towards the end of the year, and the
28 team he assembled. ***It is obviously not appropriate for me to comment***

1 *at the moment, further than has been done already, on the*
 2 *circumstances of Jes's departure.* It is important to let the regulatory
 3 and related processes take their course and, at the time of writing this
 4 letter, they have not completed. It is appropriate, however, to recognise
 5 that under the leadership of Jes, Barclays established a clear strategy,
 6 built up a secure capital base, improved its operational resilience and
 7 developed its business-leading franchises. We are therefore grateful for
 8 the hard work that he put in for the Company.

9 89. In its 2021 Annual Report, Barclays also reiterated its false and
 10 misleading statement that the Company was cooperating with relevant authorities,
 11 including the FCA, in their investigations, as alleged in ¶70, above.

12 90. Following the misrepresentations and omissions made on November 1,
 13 2021, November 12, 2021, and February 23, 2022, Barclays Securities traded at
 14 artificially inflated prices.

15 91. In addition to all of the reasons identified in ¶81, each of the above
 16 statements in ¶¶83 and 86-89 concerning Barclays' characterization of the FCA's
 17 preliminary conclusions, which focused on whether Staley was aware of Epstein's
 18 alleged crimes, and Defendants' cooperation in regulatory investigations, was
 19 materially misleading when made as Defendants knew or deliberately disregarded and
 20 failed to disclose the following facts:

21 (a) Whether or not Staley witnessed Epstein's crimes was not the sole
 22 issue under investigation by the FCA. Rather, as the FCA Decision stated, the FCA
 23 "wanted Barclays to explain how it was satisfied there was no impropriety with
 24 respect to the relationship between Mr Staley and Mr Epstein." The FCA undertook
 25 this inquiry because the FCA "was seeking assurance that Barclays had discharged its
 26 regulatory obligations to ensure it understood and had properly managed the risks to
 27 which it was exposed." In other words, the FCA's inquiry was broader than whether
 28 Staley had witnessed Epstein's alleged crimes.

(b) Barclays' October 8, 2019 letter to the FCA makes clear that Barclays understood that its response to the FCA was broader than simply Staley's awareness of Epstein's alleged crimes. The letter stated: "I am writing to close the loop on your request for assurance that we have informed ourselves and are comfortable in regard to any association of [Mr Staley] or Barclays with [Mr Epstein]."

(c) The FCA Decision noted that Barclays understood the FCA's inquiry was broader than Staley's awareness of Epstein's alleged crimes because Higgins emailed an FCA executive asking whether a sentence regarding Staley's "role in the activities of Mr Epstein that have been under investigation" was necessary to include in the October 8, 2019 letter. Higgins wrote that he thought the FCA was "probably more worried about judgement than involvement in wrongdoing."

(d) Despite the admitted broader scope of the FCA's inquiry, and despite Barclays' possession of the email cache evidencing Staley and Epstein's close, personal relationship, Defendants misrepresented the nature of Staley and Epstein's relationship to the FCA.

(e) Higgins' reference to the "circumstances of Jes's departure" omits his knowledge that Barclays' letter to the FCA contained misleading statements regarding Staley's relationship with Epstein.

E. Private and Government Lawsuits Threaten to Expose Ugly Facets of Staley's Relationship with Epstein

92. On November 24, 2022, plaintiff Jane Doe 1 filed a class action captioned *Jane Doe 1 v. JP Morgan Chase & Co.*, No. 1:22-cv-10019 (S.D.N.Y) ("Doe Litigation"), on behalf of herself and other alleged victims of Epstein's sex trafficking, seeking damages from JPMorgan for facilitating and benefitting from Epstein's sex-trafficking activities. The complaint alleged a "symbiotic" relationship between Epstein and Staley and stated, for example:

1 Epstein agreed to bring many ultra-high wealth clients to JP Morgan, and
2 in exchange, Staley would use his clout within JP Morgan to make
3 Epstein untouchable. This meant that JP Morgan would keep Epstein on
4 as a client at all costs, including failing to act on any red flags and
5 ultimately allowing him the ability to run and grow what to the bank was
6 obviously an operation designed to sexually abuse and traffic countless
7 young women.

8 93. On December 27, 2022, the Attorney General for the United States
9 Virgin Islands filed a civil action against JPMorgan (the USVI Litigation), asserting
10 claims of trafficking against the bank for providing banking services to Epstein
11 connected with his alleged sexual trafficking of young women and girls. That
12 complaint alleged that “JP Morgan knowingly, negligently, and unlawfully provided
13 and pulled the levers through which recruiters and victims were paid and was
14 indispensable to the operation and concealment of the Epstein trafficking enterprise.”
15 However, much of the initially filed complaint was redacted.

16 94. On February 15, 2023 in its 2022 Annual Report, which was also filed
17 with the SEC on a Form 20-F, Barclays reiterated its false and misleading statement
18 that the Company was cooperating with relevant authorities, including the FCA, in
19 their investigations, as alleged in ¶70, above.

20 95. Also on February 15, 2023, in the USVI Litigation, portions of the
21 complaint were unredacted, revealing for the first time excerpts of the messages sent
22 between Epstein and Staley. These unredacted portions contained excerpts of several
23 of the 1,200 emails between Staley and Epstein from 2008 to 2012, including a
24 message from July 2010, sent from Staley to Epstein that said: “Maybe they’re
25 tracking u? That was fun. Say hi to Snow White.” Epstein replied: “[W]hat character
26 would you like next?” Staley answered, “Beauty and the Beast,” to which Epstein
27 said, “well one side is available.” Another email from November 2009, excerpted in
28

1 the unredacted complaint in the USVI Litigation, was sent from Staley to Epstein and
2 stated:

3 Presently, I'm in the hot tub with a glass of white wine. This is an
4 amazing place. Truly amazing. Next time, we're here together. I owe
5 you much. And I deeply appreciate our friendship. I have few so
6 profound.

7 The unredacted complaint alleged that such emails demonstrated the "close personal
8 relationship" between the men "and even suggest that Staley may have been involved
9 in Epstein's sex-trafficking operation."

10 96. On March 4, 2023, the *Financial Times* published an article titled "Why
11 the Jeffrey Epstein scandal continues to haunt JPMorgan and Barclays," which
12 described the renewed scrutiny that the Doe and USVI Litigations' allegations put on
13 the actions taken by Barclays and Higgins when responding to the FCA's 2019
14 inquiry. It noted that "Barclays declined to comment" on why the "emails it had seen
15 did not tally with a merely professional relationship, close or not."

16 97. On March 8, 2023, in both the USVI Litigation and the Doe Litigation,
17 JPMorgan filed a third-party complaint against Staley for indemnity, contribution,
18 breach of fiduciary duty, and breach of the faithless servant doctrine in the event that
19 JPMorgan was found liable. The complaints alleged that Staley, when visiting
20 Epstein's residences, had observed the trafficking and abuse for which Epstein was
21 accused.

22 98. On March 24, 2023, Barclays issued on its website its Notice of Annual
23 General Meeting 2023, which included a Letter from the Group Chairman, signed by
24 Higgins, and its availability was announced by Barclays via the RNS. Without
25 mentioning Epstein, the letter noted the Board's observations regarding the legal
26 proceedings involving JPMorgan and Staley and described the "allegations [as]
27 serious and new." But Higgins' letter failed to make a full disclosure of what
28 Barclays learned in the course of conducting its internal investigation of Staley.

1 Instead, without acknowledging that Barclays had the same emails that were recently
 2 disclosed in the Doe and USVI Litigations, Higgins continued to insist that Barclays
 3 had reached its conclusion based on “information it had at the time”:

4 The Board has noted the recent allegations made in the context of
 5 proceedings involving Mr Jes Staley’s former employer, and against Mr
 6 Staley himself, in relation to events a few years prior to his joining
 7 Barclays. These allegations are serious and new. Barclays itself has
 8 received no material new evidence from regulators or law enforcement
 9 agencies since Mr Staley left in November 2021. *The Board’s original*
 10 *review, conducted in February 2020, was based on the information it*
 11 *had at the time and representations made by Mr Staley.*

12 99. In June 2023, a settlement was reached in the Doe Litigation in which
 13 JPMorgan agreed to pay \$290 million to resolve the claims of over 150 alleged sex-
 14 trafficking victims. In September 2023, weeks before a scheduled trial, JPMorgan
 15 agreed to pay \$75 million to settle the claims brought by the U.S. Virgin Islands. An
 16 agreement was also reached to resolve JPMorgan’s claims against Staley, the terms of
 17 which are confidential.

18 100. Following the misrepresentations and omissions made on February 15,
 19 2023 and March 24, 2023, Barclays Securities traded at artificially inflated prices.

20 101. In addition to all of the reasons identified in ¶¶81 and 91, each of the
 21 above statements in ¶¶94 and 98 concerning Barclays’ original review at the FCA’s
 22 request of Staley’s relationship with Epstein and Defendants’ cooperation in
 23 regulatory investigations were materially false and misleading when made as
 24 Defendants knew or deliberately disregarded and failed to disclose the following facts:

25 (a) Barclays had examined the cache of 1,200 emails with the
 26 assistance of outside counsel when it had conducted its “original review” in January
 27 and February 2020, after which Defendants had falsely assured the FCA and investors
 28

1 of Staley's purely "professional" relationship with Epstein and Staley's transparency
2 to the Board.

3 (b) The information that Barclays "had at the time" (*i.e.*, the 1,200
4 email cache) unequivocally showed that Staley's relationship with Epstein was closer
5 and more personal than represented to the FCA, and that Defendants' description of
6 that relationship to the FCA upon the FCA's inquiry was misleading.

7 102. Accordingly, because Defendants either (i) reviewed the email cache
8 between Staley and Epstein revealing the close, personal friendship between the men
9 and conducted interviews with Staley, or (ii) in the case of Staley, actually
10 communicated, socialized with, and visited Epstein, Defendants knew or recklessly
11 disregarded that Defendants' statements regarding Staley's relationship with Epstein,
12 Defendants' transparency about that relationship, and the nature of the FCA's
13 investigation into that relationship were materially false and misleading.

14 **VIII. LOSS CAUSATION**

15 103. As detailed herein, Defendants made materially false and misleading
16 statements, and/or omitted material information, and/or delayed the disclosure of
17 information concerning Staley's relationship with Epstein and Barclays' knowledge
18 thereof. Defendants' misstatements and omissions were designed to and did
19 artificially inflate, maintain, and manipulate the price of Barclays Securities and
20 deceived Plaintiffs and the Class, causing purchasers of Barclays Securities to suffer
21 economic harm as the truth reached the market. When the truth began to be revealed,
22 it caused the price of Barclays Securities to fall as the prior artificial inflation came
23 out of the price of the securities.

24 104. On October 12, 2023, the FCA published an announcement on its website
25 titled "FCA decides to fine and ban James Staley." It stated, in pertinent part:

26 The FCA has decided to fine former CEO of Barclays, James
27 Staley, £1.8 million and ban him from holding a senior management or
28 significant influence function in the financial services industry.

1 The FCA has found that *Mr Staley recklessly approved a letter*
2 *sent by Barclays to the FCA, which contained two misleading*
3 *statements, about the nature of his relationship with Jeffrey Epstein*
4 *and the point of their last contact.*

5 Therese Chambers, joint Executive Director of Enforcement and
6 Market Oversight at the FCA said: ‘A CEO needs to exercise sound
7 judgement and set an example to staff at their firm. Mr Staley failed to
8 do this. *We consider that he misled both the FCA and the Barclays*
9 *Board about the nature of his relationship with Mr Epstein.*

10 ‘Mr Staley is an experienced industry professional and held a
11 prominent position within financial services. *It is right to prevent him*
12 *from holding a senior position in the financial services industry if we*
13 *cannot rely on him to act with integrity by disclosing uncomfortable*
14 *truths about his close personal relationship with Mr Epstein.’*

15 In August 2019, the FCA asked Barclays to explain what it had
16 done to satisfy itself that there was no impropriety in the relationship
17 between Mr Staley and Mr Epstein. In its response, Barclays relied on
18 information supplied by Mr Staley. Mr Staley confirmed the letter was
19 fair and accurate.

20 *The letter claimed that Mr Staley did not have a close*
21 *relationship with Mr Epstein.* In reality, in emails between the two *Mr*
22 *Staley described Mr Epstein as one of his ‘deepest’ and ‘most*
23 *cherished’ friends.*

24 The letter from Barclays to the FCA also claimed Mr Staley
25 ceased contact with Mr Epstein well before he joined Barclays.
26 *However, Mr Staley was in fact in contact with Mr Epstein in the days*
27 *leading up to his appointment as CEO being announced on 28 October*
28 *2015. Mr Staley joined Barclays in December 2015.*

1 While Mr Staley did not draft the letter there was no excuse for his
2 failure to correct the misleading statements when he was the only person
3 at Barclays who knew the full extent of his personal relationship with Mr
4 Epstein and the specific timings of his contact with him. The FCA has
5 found that Mr Staley was aware of the risk that his association with Mr
6 Epstein posed to his career.

7 ***The FCA considers that, in failing to correct the misleading***
8 ***statements in the letter, Mr Staley recklessly misled the FCA and acted***
9 ***with a lack of integrity.***

10 105. The FCA Decision released the same day provided details explaining
11 why Barclays' October 8, 2019 letter to the FCA was misleading.

12 106. First, the FCA found "inaccurate and consequently, misleading" the
13 statement that Staley "confirmed to us [Barclays] that he did not have a close
14 relationship with Mr Epstein." To establish the statement's inaccuracy, the FCA
15 pointed to the "[e]mail communications from Mr Staley to Mr Epstein [that] refer to
16 the strength of their friendship"; Staley's visit to Epstein in Florida "during his prison
17 sentence"; Staley's visits to various of Epstein's residences, including his ranch in
18 New Mexico and his island in the U.S. Virgin Islands, which the FCA found "were for
19 no obvious business or professional purpose"; Epstein's advice to Staley's daughter
20 on her graduate work, which Staley characterized as "the gift of great friendship";
21 and Staley confiding with Epstein "on significant matters" relating to Staley's career,
22 including the "very confidential" approval by Barclays' Board of Staley's
23 appointment as CEO.

24 107. Second, although the letter said that Staley's "last contact with Mr
25 Epstein was well before he joined Barclays in 2015," the FCA pointed to emails
26 between Staley and Epstein in October 2015 discussing his appointment as CEO, as
27 well as Staley's visit to Epstein's island in the U.S. Virgin Islands in April 2015.

1 108. In reaching its conclusion to impose a penalty of £1.8 million on Staley
 2 and ban him from senior management positions in the financial sector, the FCA
 3 considered the fact that Staley had previously been subject to regulatory action by the
 4 FCA and the PRA. In 2018, the FCA and PRA had imposed a total financial penalty
 5 of £642,400 on Staley for his actions in response to a whistleblower letter relating to
 6 the hiring process for a senior employee at Barclays. The FCA found that while the
 7 prior regulatory action was unrelated to its Staley-Epstein investigation, it denied that
 8 the 2018 action had no relevance because “Staley’s reckless failure to correct the
 9 misleading statements in the [October 2019] Letter occurred only a year after” the
 10 prior sanction. “As a consequence of that regulatory action” in 2018, the FCA “would
 11 have expected Mr Staley to have been particularly careful to ensure that the Letter was
 12 factually accurate.”

13 109. Instead, Staley approved the October 8, 2019 letter, which contained
 14 statements the FCA considered to be “clearly misleading.”

15 110. As a result, the FCA determined that Staley had failed to comply with
 16 FCA rules governing the conduct of senior managers for firms like Barclays.
 17 Specifically, the rules violated were:

- 18 • Individual Conduct Rule (“ICR”) 1: “You must act with integrity.”
- 19 • ICR 3: “You must be open and cooperative with the FCA, the PRA and
 20 other regulators.”
- 21 • Senior Manager Conduct Rule 4: “You must disclose appropriately any
 22 information of which the FCA or PRA would reasonable expect notice.”

23 111. Also on October 12, 2023, Barclays issued a press release on the FCA
 24 Decision’s findings regarding Staley. In it, Barclays stated:

25 The [FCA Decision] finds that Mr Staley acted recklessly in
 26 approving a letter dated 8 October 2019 from Barclays to the FCA
 27 regarding his relationship with Jeffrey Epstein (which the RDC
 28 [Regulatory Decisions Committee] concluded was misleading) and, by

1 doing so, that he breached Individual Conduct Rule 1 (acting with
 2 integrity), Individual Conduct Rule 3 (being open and cooperative with
 3 regulators) and Senior Management Conduct Rule 4 (disclosing
 4 appropriately information of which the FCA or PRA would reasonably
 5 expect notice).

6 112. The October 12, 2023 press release by Barclays also disclosed the
 7 decision by the Board's Remuneration Committee: "Following consideration of the
 8 detailed findings in the [FCA Decision] and the information referred to in it," the
 9 Committee concluded that Staley was "ineligible for or [would] forfeit a number of
 10 awards." As identified in the press release, these awards were:

- 11 • his bonus award in respect of the 2021 performance year.
- 12 • his unvested LTIP awards that were still subject to performance
 13 conditions, with a face value of £14.3m, and other unvested LTIP
 14 awards for which the performance conditions had already been
 15 assessed, with a face value of £1.4m.
- 16 • his other unvested deferred bonus awards from earlier years.
 17 These awards had a face value of £2.1m, which was reduced to
 18 zero through the application of 'malus'.

19 According to the press release, "[t]he total value of the lapsed LTIP awards and
 20 forfeited deferred compensation awards was £17.8m."

21 113. On this news, the price of Barclays ADRs fell \$0.39 per ADR, or 4.99%,
 22 to close at \$7.43 per ADR on October 12, 2023, economically damaging investors.
 23 Also on this news, the price of Barclays ordinary shares fell £4.90 per share, or 3.12%,
 24 to close at £152.28 per share on October 12, 2023.

25 114. The declines in the price of Barclays Securities after the corrective
 26 disclosures came to light were the direct result of the revelation of the nature and
 27 extent of Defendants' fraud finally being revealed to investors and the market. The
 28 timing and magnitude of the price declines negate any inference that the losses

1 suffered by Plaintiffs and other members of the Class were caused by changed market
2 conditions, macroeconomic or industry factors, or Company-specific facts unrelated to
3 Defendants' fraudulent conduct. The economic loss, *i.e.*, damages suffered by
4 Plaintiffs and the other Class members, was a direct result of Defendants'
5 misstatements, omissions, and delay in revealing the truth, and the subsequent
6 significant decline in the value of Barclays Securities when Defendants'
7 misrepresentations and other fraudulent conduct were revealed.

8 **IX. NO SAFE HARBOR**

9 115. The statutory safe harbor provided for forward-looking statements under
10 certain circumstances does not apply to any of the false statements alleged. Certain of
11 the statements herein were not identified as "forward-looking statements" when made.
12 To the extent there were any forward-looking statements, no meaningful cautionary
13 statements identified important factors that could cause actual results to differ
14 materially from those in the purportedly forward-looking statements, including
15 because the circumstances about which such cautionary language warned had in fact
16 already occurred.

17 116. To the extent that the statutory safe harbor does apply to any forward-
18 looking statements pled herein, Defendants are liable for those false forward-looking
19 statements because, at the time each of those forward-looking statements was made,
20 the particular speaker knew or had actual knowledge that the particular forward-
21 looking statement was false and/or the forward-looking statement was authorized
22 and/or approved by an executive officer of Barclays who knew that the statement was
23 false when made.

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X. RELIANCE

A. Applicability of Presumption of Reliance for U.S. Securities Laws Claims

117. Plaintiffs and the other members of the Class will rely, in part, upon the presumption of reliance established by the fraud-on-the-market presumption of reliance in that, among other things:

(a) Defendants made public misrepresentations or failed to disclose material facts during the Class Period;

(b) The omissions and misrepresentations were material;

(c) Barclays ADRs traded in an efficient market;

(d) The misrepresentations alleged would tend to induce a reasonable investor to misjudge the value of Barclays ADRs; and

(e) Plaintiffs and the other members of the Class purchased Barclays ADRs between the time Defendants misrepresented or failed to disclose material facts and the time the true facts began to be disclosed, without knowledge of the misrepresented or omitted facts.

118. At all relevant times the market for Barclays ADRs was an efficient market for the following reasons, among others:

(a) Barclays met the requirements for listing, and was listed and actively traded on the LSE, an efficient and automated market, in the form of ordinary shares;

(b) Barclays ADRs met the requirement for listing, and were listed and actively traded on the NYSE, an efficient and automated market;

(c) Barclays ADRs were sponsored by the Company and represented Barclays ordinary shares, which were listed and actively traded on the LSE, a highly efficient and automated market;

(d) According to the Company's 2023 Annual Report, there were nearly 15.2 billion Barclays ordinary shares and 185.3 million ADRs issued and

1 outstanding, held by thousands of nominees, individuals, and institutional investors,
2 representing a very broad and active trading market;

3 (e) Barclays regularly communicated with investors via established
4 market communication mechanisms, including the regular dissemination of press
5 releases on national circuits of major newswire services, the Internet, and other wide-
6 ranging public disclosures;

7 (f) Barclays filed periodic public reports with the SEC and published
8 such reports on the RNS;

9 (g) Barclays was followed by securities analysts employed by major
10 brokerage firms who wrote reports that were distributed to the sales force and certain
11 customers of their respective brokerage firms. Each of these reports was publicly
12 available and entered the public marketplace; and

13 (h) Unexpected material news about Barclays was rapidly reflected in
14 and incorporated into the prices of Barclays Securities during the Class Period.

15 119. Because Barclays is a publicly traded company, Defendants knew,
16 understood, and had reason to expect that: (i) their misstatements would artificially
17 inflate the price of Barclays Securities; (ii) investors would rely on the prices of
18 Barclays Securities as reflecting accurate information known to Barclays and its
19 principals; and (iii) their misstatements and omissions would induce Plaintiffs and/or
20 their agents and other Class members to purchase Barclays ADRs during the Class
21 Period.

22 120. As a result of the foregoing, the market for Barclays ADRs promptly
23 digested current information regarding the Company from all publicly available
24 sources and reflected such information in the price of Barclays ADRs. Under these
25 circumstances, all purchasers of Barclays ADRs during the Class Period suffered
26 similar injury through their purchase of Barclays ADRs at artificially inflated prices,
27 and a presumption of reliance applies.

28

121. Plaintiffs are also entitled to a presumption of reliance under *Affiliated Ute Citizens v. United States*, 406 U.S. 128 (1972), because the claims asserted herein are predicated in part upon omissions of material fact for which there was a duty to disclose. Specifically, Plaintiffs are entitled to a presumption of reliance throughout the Class Period because, as more fully alleged above, Defendants failed to disclose material information regarding Staley's close personal relationship with Epstein, Barclays' internal investigation thereof, and Defendants' lack of transparency with the FCA.

B. Reliance for U.K. Securities Laws Claims

122. Under English law, Plaintiffs and the Class are entitled to rely on a presumption that they relied on an actionable misrepresentation by which it was intended they should be deceived.

123. Plaintiffs reasonably made a decision, including an automated decision to acquire, continue to hold, or dispose of Barclays ordinary shares at the inflated price at which they were in fact acquired and held.

124. Alternatively, Plaintiffs reasonably made a decision, including an automated decision, to acquire, continue to hold, or dispose of Barclays ordinary shares at the inflated price at which they were in fact acquired and held and were also aware of (i) the price of the shares and (ii) the published information being true, complete, and accurate.

125. But for Defendants' misrepresentations and omissions, Plaintiffs, and members of the Class, would not have acquired Barclays ordinary shares at the price of acquisition.

XI. PLAINTIFFS' CLASS ACTION ALLEGATIONS

126. Plaintiffs bring this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of: (i) all persons or entities who purchased or otherwise acquired Barclays ADRs on the NYSE in the United States during the Class Period; and (ii) all persons or entities who purchased or

1 otherwise acquired on the LSE or continued to hold Barclays ordinary shares during
2 the Class Period; and who were damaged thereby (collectively, the “Class”).
3 Excluded from the Class are Defendants, the officers and directors of the Company,
4 members of the Individual Defendants’ immediate families and their legal
5 representatives, heirs, successors, or assigns, and any entity in which Defendants have
6 or had a controlling interest.

7 127. The members of the Class are so numerous that joinder of all members is
8 impracticable. Throughout the Class Period, the Company’s securities were actively
9 traded on the NYSE and LSE markets. Upon information and belief, these shares are
10 held by thousands of geographically dispersed individuals and entities.

11 128. Common questions of law and fact exist as to all members of the Class
12 and predominate over any questions solely affecting individual members of the Class.
13 These common questions of law and fact include: (i) whether Defendants violated the
14 Exchange Act; (ii) whether Defendants violated U.K. statutory law; (iii) whether
15 Defendants omitted and/or misrepresented material facts, and/or delayed the
16 publication of information; (iv) whether Defendants knew or recklessly disregarded
17 that their statements were false; (v) whether the prices of Barclays Securities were
18 artificially inflated during the Class Period; and (vi) the extent of and appropriate
19 measure of damages.

20 129. Plaintiffs’ claims are typical of those of the Class as all members of the
21 Class are similarly affected by Defendants’ wrongful conduct in violation of securities
22 laws in the United States and the United Kingdom that is complained of herein.
23 Prosecutions of individual actions would create a risk of inconsistent adjudications.

24 130. Plaintiffs will fairly and adequately protect the interests of the members
25 of the Class and have retained counsel competent and experienced in class and
26 securities litigation. Plaintiffs have no interests antagonistic to or in conflict with
27 those of the Class.

1 (c) engaged in acts, practices, and a course of business that operated as
2 a fraud or deceit upon Plaintiffs and others similarly situated in connection with their
3 purchases of Barclays ADRs during the Class Period.

4 137. Defendants, individually and together, directly and indirectly, by the use,
5 means of instrumentalities of interstate commerce, and/or the mails, engaged and
6 participated in a continuous course of conduct to conceal the truth and/or adverse
7 material information about Barclays' business and operations as specified herein.

8 138. By virtue of their positions at Barclays, the Individual Defendants, whose
9 knowledge and/or recklessness is imputed to Barclays, had actual knowledge of the
10 materially false and misleading statements and material omissions alleged herein and
11 intended thereby to deceive Plaintiffs and the other members of the Class; or, in the
12 alternative, acted with reckless disregard for the truth in that they failed or refused to
13 ascertain and disclose such facts as would reveal the materially false and misleading
14 nature of the statements made, although such facts were readily available to them.
15 Said acts and omissions were committed willfully or with reckless disregard for the
16 truth. In addition, each of the Defendants knew or recklessly disregarded that material
17 facts were being misrepresented or omitted as described above.

18 139. Information showing that Defendants acted knowingly or with reckless
19 disregard for the truth is peculiarly within Defendants' knowledge and control. As the
20 officers and/or directors of Barclays, the Individual Defendants had knowledge of the
21 details of Barclays' internal affairs.

22 140. Because of their positions of control and authority, the Individual
23 Defendants were able to and did, directly or indirectly, control the content of the
24 statements of Barclays. As officers and/or directors of a publicly held company, the
25 Individual Defendants had a duty to disseminate timely, accurate, and truthful
26 information with respect to Barclays' businesses and operations.

27 141. During the Class Period, Barclays ADRs were traded on an active and
28 efficient market. As a result of the dissemination of the materially false or misleading

1 information and/or failure to disclose material facts, as set forth above, the market
2 price of Barclays ADRs was artificially inflated during the Class Period. At the time
3 of the purchases and/or acquisitions by the Teamsters Funds and the Class, the true
4 value of Barclays ADRs was substantially lower than the prices paid by the Teamsters
5 Funds and the other members of the Class. Had the Teamsters Funds and the other
6 members of the Class known the truth, they would not have purchased or otherwise
7 acquired said securities, or would not have purchased or otherwise acquired them at
8 the inflated prices that were paid. The market price of Barclays ADRs declined
9 sharply upon public disclosure of the facts alleged herein to the injury of the
10 Teamsters Funds and Class members. In ignorance of the falsity of Barclays'
11 statements, the Teamsters Funds and the other members of the Class purchased or
12 otherwise acquired Barclays ADRs at artificially inflated prices and relied upon the
13 price of the securities, the integrity of the market for the securities, and/or upon
14 statements disseminated by Defendants, and were damaged thereby.

15 142. By reason of the conduct alleged herein, Defendants knowingly or
16 recklessly, directly or indirectly, have violated §10(b) of the Exchange Act and Rule
17 10b-5 promulgated thereunder.

18 143. As a direct and proximate result of these Defendants' wrongful conduct,
19 the Teamsters Funds and the other Class members suffered damages in connection
20 with their Class Period transactions in Barclays ADRs.

21 **COUNT II**

22 **For Violations of §20(a) of the Exchange Act** 23 **Against All Defendants**

24 144. Plaintiffs repeat and reallege each and every allegation contained in the
25 foregoing paragraphs as if fully set forth herein.

26 145. During the Class Period, Defendants, during the time they held their
27 positions at Barclays, participated in the operation and management of Barclays, and
28 conducted and participated, directly and indirectly, in the conduct of Barclays'

1 business affairs. Because of their senior positions, they knew the adverse non-public
2 information about Barclays' business as alleged herein.

3 146. As officers and/or directors of a publicly owned company, Defendants
4 had a duty to disseminate accurate and truthful information with respect to Barclays'
5 operations, and to correct promptly any public statements Barclays issued that had
6 become materially false or misleading.

7 147. Barclays had the power to control and influence the other Defendants,
8 and other Company executives through its power to hire, fire, supervise, and
9 otherwise control the actions of its employees and their salaries, bonuses, incentive
10 compensation, and other employment considerations. By virtue of the foregoing,
11 Barclays had the power to influence and control, and did influence and control,
12 directly or indirectly, the decision-making of Defendants, including the content of
13 their public statements.

14 148. Because of their positions of control and authority as senior officers,
15 Defendants were able to, and did, control the contents of the various reports, press
16 releases, and public filings that Barclays disseminated in the marketplace during the
17 Class Period concerning Barclays' business and operations. Throughout the Class
18 Period, Defendants exercised their power and authority to cause Barclays to engage in
19 the wrongful acts complained of herein. Defendants, therefore, were "controlling
20 persons" of Barclays within the meaning of §20(a) of the Exchange Act. In this
21 capacity, they participated in the unlawful conduct alleged that artificially inflated the
22 market price of Barclays ADRs.

23 149. Each of the Defendants, therefore, acted as a controlling person of
24 Barclays. By reason of holding positions as officers and/or directors of Barclays, each
25 of the Defendants had the power to direct the actions of, and exercised the same to
26 cause, Barclays to engage in the unlawful acts and conduct complained of herein.
27 Each of the Defendants exercised control over the general operations of Barclays and
28 possessed the power to control the specific activities which comprise the primary

1 violations about which the Teamsters Funds and the other members of the Class
2 complain.

3 150. By reason of the above conduct, Defendants are liable pursuant to §20(a)
4 of the Exchange Act for the violations committed by Barclays.

5 **COUNT III**

6 **For Violations of Section 90A**
7 **of the Financial Services and Markets Act of the United Kingdom**
8 **Against Barclays**

9 151. Plaintiffs repeat and reallege each and every allegation contained in the
10 foregoing paragraphs as if fully set forth herein.

11 152. This Count is brought pursuant to Section 90A of the FSMA, as amended
12 by the Companies Act of 2006 and the FSMA 2000 (Liability of Issuers) Regulations
13 2010 (2010/1192), and Schedule 10A of the FSMA against Barclays seeking damages
14 in relation to St. Louis Firemen's and the Class's acquisition and/or retention and/or
15 disposal of Barclays ordinary shares during the Class Period.

16 153. Barclays, as an issuer of securities to which Schedule 10A applies, made
17 a misleading statement or dishonest omission and/or dishonestly delayed the
18 publication of information (within the meaning of paragraph 5 of Schedule 10A),
19 including in reports and statements published in response to provisions implementing
20 Articles 4, 5, and 6 of Directive 2004/109/EC of the Transparency Obligations
21 Directive of December 31, 2004, in its preliminary statements pertaining thereto, and
22 as further set out herein.

23 154. Certain of the untrue or misleading published information, or the
24 published information omitting a matter required to be included in it, was published
25 by "recognised means" under the meaning of Schedule 10A, as it was either published
26 via the LSE's RNS, or the availability of the information had been announced by
27 Barclays via the RNS.

28 155. One or more of the Individual Defendants, in discharging their
managerial responsibilities on behalf of Barclays, with respect to an untrue and

1 misleading statement, knew the statement to be untrue or misleading or was reckless
2 as to whether it was untrue or misleading.

3 156. One or more of the Individual Defendants, in discharging their
4 managerial responsibilities on behalf of Barclays, with respect to the omission of a
5 matter required to be included in published information, knew the omission to be a
6 dishonest concealment of a material fact.

7 157. One or more of the Individual Defendants, in discharging their
8 managerial responsibilities on behalf of Barclays, acted dishonestly in delaying the
9 publication of information regarding Staley's close relationship with Epstein and
10 Barclays' knowledge thereof.

11 158. This omission of a matter required to be included in published
12 information or delay in publishing information was regarded as dishonest by people
13 who regularly trade on the securities market in question. Furthermore, such conduct
14 was regarded as dishonest by the FCA.

15 159. One or more of the Individual Defendants, as alleged herein, was aware
16 (or must be taken to have been aware) that such a delay was regarded as dishonest.

17 160. St. Louis Firemen and the Class made a decision to acquire shares in the
18 market at the inflated price at which they were in fact acquired. Had St. Louis
19 Firemen and the other members of the Class known the truth, they would not have
20 purchased or otherwise acquired said securities, or would not have purchased or
21 otherwise acquired them at the inflated prices that were paid.

22 161. St. Louis Firemen and the Class have suffered losses with regard to their
23 purchase and retention of Barclays ordinary shares as a result of the dishonest delay in
24 publishing truthful information regarding Staley and Barclays' knowledge thereof.

25 162. By reason of the foregoing, Barclays is liable to St. Louis Firemen and
26 the Class for compensation as provided by Section 90A of the FSMA 2000, as
27 amended.

28

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment against Defendants as follows:

A. Determining that this action is a proper class action, and certifying Plaintiffs as Class Representatives under Rule 23 of the Federal Rules of Civil Procedure and appointing Robbins Geller Rudman & Dowd LLP as Class Counsel;

B. Awarding compensatory damages in favor of Plaintiffs and the other members of the Class against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

C. Awarding Plaintiffs and the Class their reasonable costs and expenses incurred in this action, including reasonable attorneys' fees, experts' fees, and other costs and disbursements; and

D. Awarding such other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiffs hereby demand a trial by jury.

DATED: August 12, 2024

ROBBINS GELLER RUDMAN
& DOWD LLP
MICHAEL A. TRONCOSO
DANIELLE S. MYERS
ASHLEY M. PRICE

s/ Ashley M. Price

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Lead Counsel for Lead Plaintiff

CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

THE FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS ("Plaintiff")
declares:

1. Plaintiff has reviewed a complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff has made the following transaction(s) during the Class Period in the securities that are the subject of this action: *See attached Schedule A.*
5. Plaintiff has not sought to serve or served as a representative party in a class action that was filed under the federal securities laws within the three-year period prior to the date of this Certification except as detailed below:

Firemen's Retirement System of St. Louis v. Telos Corporation, No. 1:22-cv-00135 (E.D. Va.)

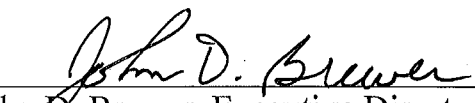
6. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 8TH day of AUGUST, 2024.

THE FIREMEN'S RETIREMENT
SYSTEM OF ST. LOUIS

By:


John D. Brewer, Executive Director

SCHEDULE A**SECURITIES TRANSACTIONS****Stock**

<u>Date Acquired</u>	<u>Amount of Shares Acquired</u>	<u>Price</u>
08/04/2022	256,257	£ 1.62
09/28/2022	25,662	£ 1.54

<u>Date Disposed</u>	<u>Amount of Shares Disposed</u>	<u>Price</u>
08/21/2023	57,219	£ 1.44
09/21/2023	52,509	£ 1.56

Prices listed are rounded to two decimal places.